Our Value for Money Statement

Period 1st April 2024 – 31st March 2025

MHA
Monmouthshire Housing
Tai Sir Fynwy

Contents

Open

We will act honestly and with integrity and our decisions will be made inclusively and transparently.

Fair

We are committed to delivering services with an even-hand and ensuring equality of opportunity for everyone.

Flexible

We will be innovative and proactive and view change as opportunity.

Achieving

We will set and reach ambitious goals and targets.

Executive Summary

Delivering value for money remains a core commitment for MHA in providing safe, affordable homes and high-quality services to communities across Monmouthshire and surrounding areas. In a year marked by significant economic pressures—including rising inflation, increased construction costs, and constrained public funding—we have continued to make strategic decisions that protect long-term value for tenants and the communities we serve.

Despite external challenges, we have maintained a strong operating surplus, enabling reinvestment into maintaining and improving existing homes, increasing the supply of affordable housing, and strengthening service delivery. Our performance reflects a robust financial position, underpinned by high levels of tenant satisfaction, excellent income collection, and consistently low rent arrears.

We continue to embed a culture of continuous improvement, focusing on efficiency, cost control, and performance monitoring to ensure that resources are used effectively and responsibly. Looking ahead, we remain committed to delivering value through innovation, collaboration, and prudent financial management—ensuring that our work continues to meet the evolving needs of tenants and contributes positively to the communities we serve.

Integration of Value for Money into decision making, planning and reporting

Monitoring of the achievement of Value for Money through reporting and benchmarking

Ensuring that the principles of Value for Money are understood and it is the responsibility of all staff to pursue Value for Money in the Association's activities

Ability to demonstrate that Value for Money is being achieved

Our vision is to provide high quality homes for both existing and new customers. We seek to transform lives and help people realise their ambitions within vibrant communities and areas where they aspire to live and work.

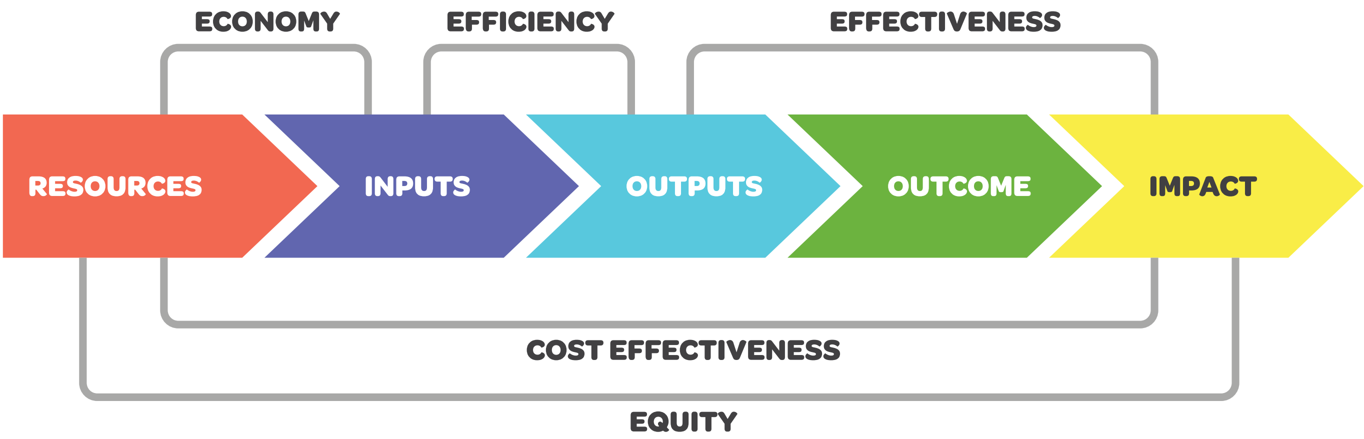
Regulatory Standard 6 - The organisation has a strategic approach to value for money which informs all its plans and activities

(a) determines its strategic approach to value for money and can demonstrate that it achieves value for money in delivering its strategy and services to stakeholders, including tenants.

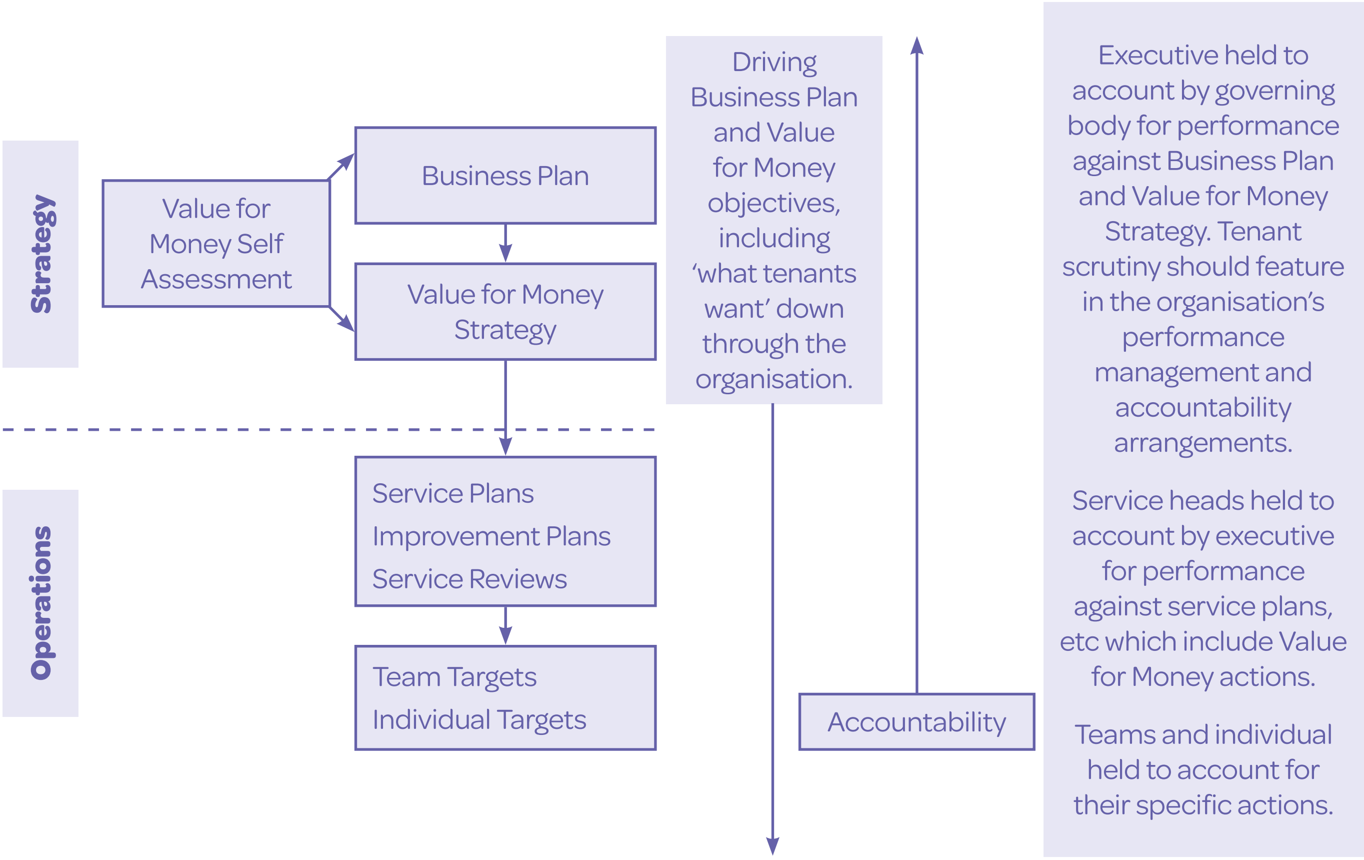
- The Regulatory Framework for Welsh Registered Social Landlords - August 2025

Embedding Value for Money

Our approach to Value for Money is rooted in maximising benefit: doing the right things for the least cost by doing those things right. The 4E VfM principles are integrated in our corporate objectives and guide how we allocate resources across our roles as social landlord, developer, partner, employer, and contributor to building great communities.



To foster a culture of Value for Money across MHA, we are delivering on our VFM Policy objectives—maximising social value and satisfaction, using assets and resources wisely, strengthening collaboration, and improving procurement. These priorities are being embedded into daily operations through training, performance management, and informed decision-making, ensuring VFM principles are consistently understood and applied (see process map below).



Performance

Snapshot of key achievements during the year 2024/2025

PEOPLE

Satisfaction

92.7%

Satisfaction with overall service.

Regulation Judgement 2024

Governance & Tenant Services / Financial Viability Compliant.

PLACES

17

External Wall Insulations installed.

82

Solar PV Installs.

27

New Homes Built.

PLANET

'Adopters' of the UK's Sustainability Reporting Standards

PROSPERITY

Completed a Full Board Effectiveness Review

Operating surplus

MHA's operating surplus – generated from income exceeding operating costs – is a key indicator of financial sustainability. This surplus is strategically reinvested to maintain and improve existing homes, increase the supply of affordable housing, and strengthen the quality of services provided to tenants.

The operating surplus over the past five year is as follows:

Financial Year	Operating Surplus £'000	Operating Surplus %
2024/25	5,126	18.3
2023/24	6,333	24.36
2022/23	1,120	4.61
2021/22	3,820	13.34
2020/21	4,217	18.41

Building on the efficiencies delivered in 2023/24 through our Digital Strategy and procurement initiatives, MHA has maintained strong financial resilience in 2024/25 despite a challenging cost environment. While operating surplus dipped slightly this was a planned outcome of increased investment in major repairs and component replacements to ensure long-term asset sustainability. The previous year's improvement provided a solid foundation, enabling us to absorb inflationary pressures and rising operating costs without compromising our ability to meet funder requirements or progress our development ambitions. This performance demonstrates our continued focus on balancing efficiency with strategic investment, ensuring that surpluses are deployed to deliver value for money and support the objectives set out in our long-term Business Plan.

Optimising our income

Maximising rents

MHA's rent setting policy aims to provide a methodology of calculating rents which are sufficient to ensure MHA continually maximises its contribution to its communities; whilst ensuring that rents always remain fair, transparent and affordable for tenants.

Minimising the time our homes are empty between tenancies

MHA continues to work towards a reaching target of 28 days from 'keys in to keys out'. MHA has continued to lead in the sector with a void standard superior to other RSL's inclusive of a full redecoration, all repairs completed, flooring throughout and garden works where necessary.

Maximising the amount of rent and service charges recovered

Current and former tenant arrears have reduced year on year, and this can be attributed to preventative work being undertaken in both areas, together with a supportive approach and clear expectations.

Date	Monetary Amount	Gross Collectable Debit (£)	Performance Value	Target
March 2025	£212,000	£24m	0.9%	1%
March 2024	£216,123.93	£22m	0.99%	1%
March 2023	£244,827.08	£20m	1.22%	1%

Percentage of current rent arrears compared to previous year:

Date	Monetary Amount	Gross Collectable Debit (£)	Performance Value	Target
March 2025	£465,000	£24m	1.97%	3%
March 2024	£475,966.47	£22m	2.18%	3%
March 2023	£450,460	£20m	2.24%	3%

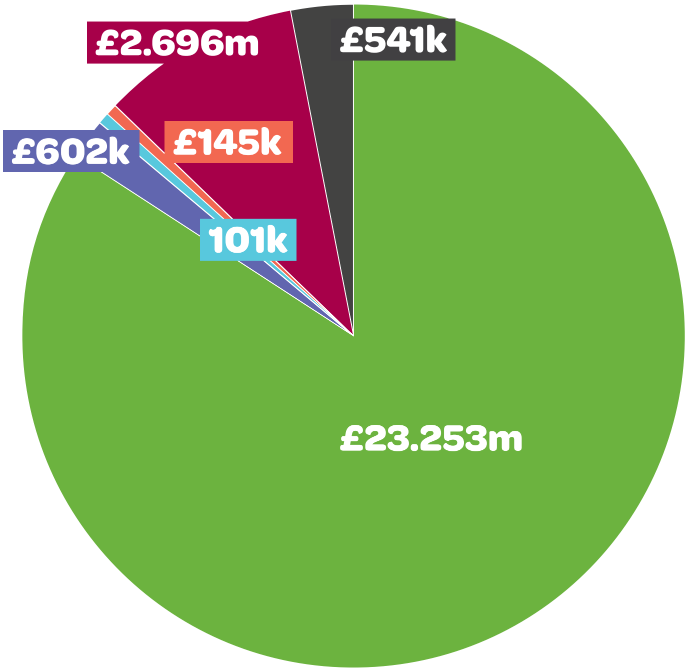
Optimising our cost base

Key Performance Indicator	MHA 2024/25	MHA 2023/24	MHA 2022/23
Operating costs for lettings per social housing unit	£7,069	£5,655	£5,876
Management costs per social housing unit	£1,208	£1,171	£1,404
Reactive repairs costs per social housing unit	£2,636	£2,285	£1,530
Major repair and component costs per social housing unit	£2,880	£1,841	£2,637
Arrears per social housing unit	£243	£351	£338
Rental void loss per social housing unit	£47.46	£46.86	£43.21
Weighted average cost of capital	2.26%	2.26%	2.26%

Our KPI trends over the past three years reflect both operational pressures and strategic investment decisions. Operating costs per social housing unit have increased from **£5,876** in 2022/23 to **£7,069** in 2024/25, driven by inflationary pressures and enhanced service delivery standards. Management costs have remained relatively stable, showing efficiency gains despite rising costs elsewhere. Reactive repairs costs have risen significantly, reflecting increased demand and higher material and labour costs, while major repairs and component costs have fluctuated due to planned investment cycles, peaking in 2024/25 as we prioritised asset sustainability. Conversely, arrears per unit have reduced from **£351** to **£243**, demonstrating improved income management and tenant support. Rental void losses have remained low and stable, evidencing strong demand and effective turnaround processes. The weighted average cost of capital has held steady at **2.26%**, ensuring financing remains cost-effective. These movements illustrate our commitment to balancing cost control with long-term investment in homes and services, while maintaining financial resilience and delivering value for money.

Income 2024/2025

Where our money comes from:

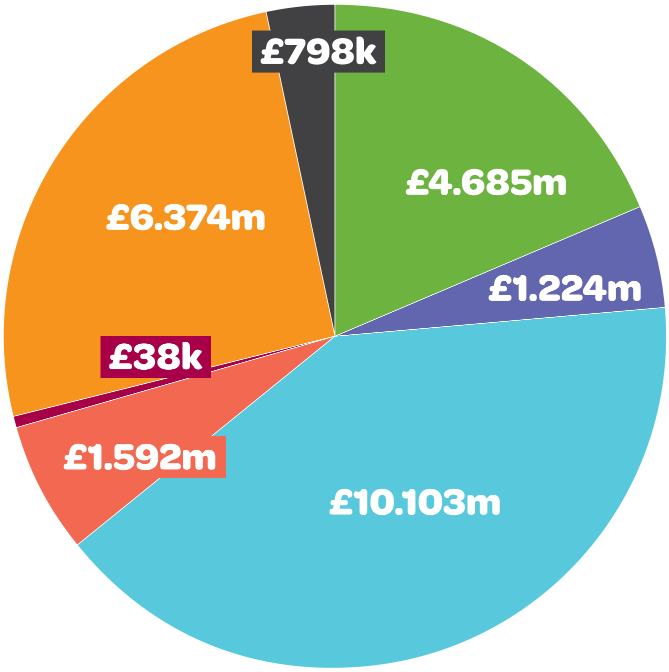


- Rents Receivable
- Government Grants Amortised
- Service Charge Income
- Other Income
- Leaseholders Income
- Income for Support Services

Total **£27.615m**

Expenditure 2024/2025

What we spent our money on:



- Routine Maintenance
- Depreciation of Housing Properties
- Management Costs
- Major Repairs
- Service Charge Costs
- Other Costs
- Bad Debts

Total **£24.814m**

Customer Satisfaction & Performance

MHA conducts its own survey with service users. The latest, undertaken in the summer, achieved a response rate of **27.82%**. The results of which are used at team level to identify gaps in provision, so resources can be targeted in the right areas.

satisfied with overall service

92.7%

satisfied with service charges providing Value for Money

70.2%

satisfied with quality of their home

88%

satisfied that rent provides Value for Money

91%

satisfied with neighbourhoods as a place to live

85.8%

satisfied with repairs and maintenance

90.2%

Customer Call Centre:

98.9%

satisfied with services provided by the CSA Team.

Satisfaction with repairs:

96%

satisfaction with the repairs and maintenance service provided by Building Services.

Housing Management

During 24/25 we invested £996,000 in sustaining our communities, with 44% of this funding sourced externally. For further details, please visit our website to read the Sustainable Communities 'Making an Impact' report, and the latest edition of our Customer Annual Review.

Overall Budget
£968k

External funding & main sources
£643k
(53% of overall budget)

In summary, here's a snapshot of the community 'value' created this year...

7

of the **25** members in the community teams are grant funded.

£1.9m

through income maximisation and money advice we have secured in additional income for tenants, and support clients across our Inclusion and Support teams.

31

people were supported into employment this year representing a social value of **£362,136**.

48

events, projects and activities co-produced, attracting **1,890** attendees.

69

vulnerable households supported by our Tenancy Coaches to sustain their tenancies, and Housing & Wellbeing supported **87** households over the year to prevent homelessness.

£50k

hardship budget to support tenants in financial crisis and **£13,000** for the Pitch for Your Project grant scheme allocated to supporting local community groups. So, **£63,000** of our budget is ringfenced for providing direct financial support to individual tenants and communities.

£95k

Through our 'Trellis' provision (our hardship fund and crisis intervention) from MHA's **£50,000** hardship budget with a further in external resources such as fuel vouchers, Discretionary Assistance Fund and food club vouchers.

£200k

contract secured worth over **18** months from the local authority to deliver **2** strands of the Shared Prosperity funded Multiply programme.

£240k+

recouped in Levelling Up funding to support the iConnect digital inclusion project. The value of the grant was **£417,000** over the life of the project.

£45k

was directly secured in small grants, and we supported community organisations to secure a further **£80,500** in financial support for community projects.

278

participants engaged through iConnect and inducted **17** digital champions (video of this impact can be found here).

738

digital champion volunteer hours generated, creating a total value of **£8,552.83**.

21,232

community volunteering hours were delivered, equating to the value of **£258,022**.

Visit our 'Brighter Futures' footage capturing lived experiences.

Responsive Repairs, Voids and Planned Maintenance

MHA's new repairs system has routinely evolved, with regular updates enabling the service to reduce 'no accesses', improve productivity, monitor sub-contractor's invoices, capture job completion and provide reports for disrepair claims.

Other successes include:

- A full review of the Repairs Service is currently underway.
- Both the voids and acquisitions have undergone Value for Money exercises, which compared the in-house DLO to Contractors, with the DLO proving to be more cost effective and with more added benefits.
- MHA continues to deliver high quality homes putting customers first, providing full decoration and flooring throughout when turning over a void property.
- Planned up-grades such as kitchen, bathroom, heating and external works are carried out at void stage, alongside a planned programme for delivery carried out by Asset Management.
- We continue to work towards the new legislation of Awaabs Law, The Building Safety Act, implementation of the Renting Homes Wales Act and WHQS 2023.

Value creation...

97.10%
of repairs completed right first time with target.

96.86%
customer satisfied with repairs with target.

100%
repair appointments kept with target.

29
days void turnaround time – standard lets (excluding major work voids).

100%
Satisfaction on Home Adaptations.

In 2024/25 we ...

installed **156**
kitchens and bathrooms

installed **290**
boilers heating upgrades

installed **176**
windows and doors

installed **82**
new roofs

Property Management

Procurement and Social Value

At MHA, value goes beyond cost - it's about creating lasting, positive change.

With an annual turnover of **c.£32m** and a workforce of around **240**, MHA's **£23m** non-pay spend is managed through a strategic procurement function led by a dedicated Procurement Manager. Procurement plays a vital role in supporting early planning, shaping decisions, and delivering our organisational objectives.

To strengthen our social value approach, MHA has adopted the TOMs (Themes, Outcomes and Measures) framework, enabling us to embed and measure social value in contracts.

Key themes include:

- **Employment:** Local jobs, apprenticeships, and training
- **Local Economy:** Spend with local SMEs
- **Community:** Support for voluntary and charitable organisations

Social value is considered in every procurement, tailored to local needs and contract relevance. Our upcoming 'Meet the Buyer' event will reinforce our commitment to meaningful community outcomes.

Our procurement strategy supports financial sustainability and broader societal goals, including:

- Supporting people and protecting homes
- Boosting the local economy
- Enhancing the environment
- Strengthening communities and third-sector networks (e.g. GAVO)
- Improving health and wellbeing

Examples of social value in action include:

- Digital Inclusion: Devices, connectivity, and training for tenants
- Green Skills Training: Eco-construction and energy efficiency courses
- Youth Engagement: Mentoring, apprenticeships, and creative programmes
- Community Panels: Resident-led decisions on benefit funding
- Mental Health Support: Workshops, counselling, and peer groups
- Local Business Support: SME procurement and development workshops
- Environmental Projects: Tenant-led gardens and recycling schemes
- Emergency Support Fund: Help for tenants facing financial hardship
- Impact Reporting: Transparent annual reporting of social value outcomes

Making the most of our people

Keeping Everyone Safe and Well

MHA Group is committed to the safety and wellbeing of both tenants and employees. We invest in comprehensive learning and development programmes that include mandatory training, role-specific qualifications, and professional development.

Staff training is tailored to roles and responsibilities. Examples include:

- CDM Training: Covering the Construction (Design and Management) Regulations 2015 to ensure safe project planning and delivery
- HHSRS Awareness: Equipping staff to identify housing health and safety risks, with specialist support from local authorities
- SMSTS Certification: Site Manager Safety Training Scheme for those overseeing construction and maintenance activities
- Gas Requalification: Regular 5-year requalification for gas engineers to maintain compliance and safety standards

In 2024/25, MHA commissioned Savills to complete 1,850 Whole Stock Assessment surveys. All identified Category 1 HHSRS hazards were promptly addressed, ensuring safe and compliant homes.

Supporting Employee Wellbeing

Beyond technical training, MHA supports personal and leadership development. Our 'Future Leaders' programme offers mentoring and coaching to three employees annually. We also fund non-work-related learning.

Employee wellbeing is supported through:

- Cycle-to-work scheme
- Holiday buy/sell options
- Counselling and occupational health services
- Flexible working policies
- Regular 6-weekly manager check-ins
- A 9-day fortnight pilot launched in June 2025 for full-time staff

Our Life & Soul wellbeing group runs events such as a Staff Sports Day, Health Checks, and Wellness Workshops, promoting physical and mental health and we align with HSE Management Standards to reduce stress and support attendance.

In 2024/25:

Attendance levels

in 2023/24 sickness absence rates were **4.04%**

Turnover (voluntary)

in 2023/24 staff turnover rates were **6.99%**

7.5%

of MHA colleagues gained professional qualifications in last 12 months

11.87%

median pay gap... MHA Group pay Real Living Wages

Our VfM Plans for 25-26

As we look ahead, our focus remains on delivering strong value for money across all areas of our work. This includes making the best use of our resources, securing external funding where possible, and ensuring our services continue to meet the needs of our tenants and communities.

We are investing in new homes, maintaining existing stock to high standards and supporting sustainable tenancies – all while keeping customer satisfaction at the heart of our operations. Alongside this, we continue to develop our workforce, improve digital services, and strengthen our governance and financial resilience.

While environmental sustainability remains a key part of our strategy, our VFM efforts are equally driven by our commitment to social impact, operational efficiency, and long-term viability. We are proud to be a part of a wider movement towards responsible business and will continue to report transparently on our progress.

For more information read our Responsible Business Strategy (ESG).

In summary, our commitment to Value for Money is to:

- Maintain high levels of tenant satisfaction with VfM (rent and service charges)
- Optimise future returns on assets deployed
- Continue to improve our understanding of our current value for money position
- Direct resources to achieve the right balance between frontline services, maintaining existing assets and providing new homes
- Continue to promote and embed a VfM culture

Targets set for 2025/26

	PEOPLE	PLACES	PLANET	PROSPERITY
VfM Objectives	Maximising social value, delivering high performance and increased levels of satisfaction	Making the best use of our assets and resources	Meeting global and local sustainable standards	Collaborating to maximise procurement opportunities and realise greater cost savings
Targets	Set challenging key stakeholder satisfaction targets Explore customer partnership opportunities that enhance efficiency and effectiveness Invest in training/ development that directly contributes to improved performance and efficiency Adhere to new Welsh Language Standards and contribute to national target - 1m Welsh speakers by 2050 Maximise the value and capacity of our staff	Invest and increase supply of social housing to 5,000 by 2030 Review void standards and explore opportunities to reduce re-let times Maximise tenancy sustainment and prevent homelessness Roll out damp and mould policy	Implement a Green Space Strategy Deliver WHQS2 standards/ decarbonisation programmes to meet national deadline Devise programme which delivers the national energy target Achieve 100% EPC'A' rating across all new builds Increase digital inclusion to reduce wider transport impacts on environment	Maximise self-service initiatives, and implement further channel shift initiatives and undertake benefit realisation exercises Transparently report on benchmark performance with others across housing sector Implement cybersecurity measures Drive performance around rent collection/service charges Fulfil requirements of new Regulatory Performance Standards (RS6) Implement Procurement Act by: • Optimising processes to ensure the best value for goods and services • Adopt flexible procurement, pre-market engagement, tender design, contract management, support for MSMEs Embed TOMs Framework to realise monetised social value created
Desired Outcomes	Achieve/Maintain top quartile satisfaction levels Meet national targets Address damp and mould issues, and generally improve health & wellbeing of our tenants	Maximise energy efficiency of homes, and savings passed on to customers Decrease re-let times Reduce turnover of tenancies, increased satisfaction and improved health & wellbeing of new tenants.	Make significant contribution to local and national environmental targets Improve the quality of environment within homes and communities, contributing to health of residents.	Free up additional resources available within current structures Realise substantial cost-savings across all areas of the business Drive down operating surplus to access competitive banking facilities Regulatory assurance Greater savings achieved through effective procurement.

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